

## *Changes taking effect on July 1*

Members, please note these upcoming changes, which take effect on July 1, 2013:

- Contribution rates increase from 11.14 percent to 11.54 percent for both members and employers, effective July 1, 2013 through June 30, 2014. **Contribution Rate information:**  
<https://www.azasrs.gov/web/ContributionRates.do>
- Spousal Consent law related to naming a beneficiary and selecting an annuity takes effect. A member of the ASRS who is married will be required to name their current spouse as a beneficiary to receive at least 50 percent of the member's account, and at retirement, the member is required to elect a joint-and-survivor annuity with the spouse as a contingent annuitant (beneficiary). The spouse may waive this right in writing. **Beneficiary information:**  
[https://www.azasrs.gov/content/pdf/fact\\_sheets/Choosing\\_Beneficiary.pdf](https://www.azasrs.gov/content/pdf/fact_sheets/Choosing_Beneficiary.pdf)
- The rate used by the ASRS to calculate Actuarial Present Value – the cost paid by the member – for Service Purchase is changed from 8 percent to 6 percent. The effect of this will be to both better reflect current interest rates as well as the volatility absorbed by the trust fund for the service being purchased and added into the member's account. **Service Purchase information:**  
<https://www.azasrs.gov/web/ServicePurchase.do>
- The Level Income Alternative at retirement is eliminated as an option. This rarely- selected option had allowed a retiring member to receive a larger monthly benefit until they reach Social Security eligibility, and then the benefit is reduced by the amount of the Social Security benefit estimated at the time of retirement. **Annuity Options information:**  
[https://www.azasrs.gov/content/pdf/fact\\_sheets/Annuity\\_Options.pdf](https://www.azasrs.gov/content/pdf/fact_sheets/Annuity_Options.pdf)
- Interest accrued on account balances after July 1, 2013 for purpose of withdrawal only is reduced from 4 percent to 2 percent. This applies to members who terminate ASRS membership and withdraw their account balance. **Withdrawal & Termination of Membership information:**  
<https://www.azasrs.gov/web/FormsForfeiture.do>
- The monthly benefit threshold for lump-sum payments is increased from the current \$20 a month to \$100 a month. Members who retire and have a final monthly benefit calculation of \$100 or less will be required to take their account balance in one lump-sum payment. **Retirement information:**  
<https://www.azasrs.gov/web/GettingReadyForRetirement.do>